

School Finance Advisory Committee Meeting

Monday, January 9, 2006

Subject / Name	Issue	Suggestions / Resolution
Logistics & Minutes Review	<p>Teddy reviewed the logistics, noting that bathrooms and cafeteria were located just outside the auditorium.</p> <p>Lyle introduced Jill Heikkila as the new SFAC Project Coordinator.</p> <p>In the review of the minutes, Karen pointed out two corrections.</p>	<ol style="list-style-type: none"> 1. In August 2005 minutes, it should state, "Currently, if a student that is pre-enrolled or attended that school in the previous year is absent on the 1st day, the most he would get would be 99 membership days. However, if the student attends the 1st day, he would get 100 days. 2. In the October 2005 minutes, it should state, George, Joel, and Sandy were added to the JTED Supplanting subcommittee.
Reconciliation Process	<p>Karen questioned and was told that the ADMS 45 are attending and ADMS 46 are resident for the purposes of financial report reconciliation. She questioned as to what point could she settle on 04-05 growth. Teddy pointed out that there would be a brief interruption in upload capability. Bonnie noted that SF has been pushing for that to get done for the last 2 months and that the SAN migration has caused some unexpected issues.</p>	<p>As soon as SF knows when LEAs can settle on 04-05 growth, they will inform the LEAs. Katherine stated that the SDAR will inform them of when this will occur. Phil stated that SF will try to let LEAs upload, but not do integrity.</p>
SDER Information	<p>Bonnie put out a feeler to let the LEAs know that at some point in FY06, SF will request the LEAs to resubmit teacher data to clean up the average salary amount. She was looking for feedback as to what time of year would be best for this. She stated that Highly Qualified needs to know which teachers in a district are HQ so they can do the calculations. Bonnie clarified that 1 FTE should be the amount of time for a contract year. Katherine stated that SF will need the position of the teacher as well as their annual salary, for districts and charters.</p> <p>Karen wanted to know how it worked when LEAs reported contracted services. Bonnie stated that if an LEA is hiring a person, SF wants that captured, but if hiring a service, SF wouldn't need that information.</p>	<p>Katherine stated that SF hopes to have a training session by the end of the month.</p>
Action Items Updated	<p>Katherine updated the committee on her action items from the October meeting.</p> <ol style="list-style-type: none"> 1. SF will have good numbers sooner than mi-April as the error causing the delay in 40th day numbers, if a preschool was involved, has been removed. So all districts and charters will have their 100th day numbers by the end of the month following their 100 +13 days. Ability to get district-wide 75 is not available, although it is being worked on. A concurrency issues was found that generates 2 ADM when a students attends multiple JTED sites. Numbers should be close to accurate in March. 2. Good numbers for the budget depend on results mentioned in item 1. 3. We are working on resolving the inefficiencies in reporting every month. 	<ol style="list-style-type: none"> 1. SF does have a tool to generate that data in 75 format. If an LEA would like that, call 602-542-8797. SF also has the ability to reconcile the SPED28 down to the student. SF will hopefully close out FY05 by January. Rachel Arroyo is working on documentation to put Budg75s online so districts can see the calculations. Bonnie included that SF is waiting to process all districts at the same time. Also, a 2-day freeze is proposed so LEAs can compare their SMS with the SF 75. SF is working on archiving ability to get a snapshot of the files to compare with the SMS.

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Action Items Updated (continued)	<p>4. SF is able, at this time, to provide a flat file for any district or charter for any school and/or district/charter holder right now. It is available on a request basis. Send us an e-mail. IT is developing the means for all schools to obtain these reports on their own. This should be done by the end of the school year assuming the programmers on the project are not pulled off on another project.</p> <p>In addition to an update on her Action Items, Katherine reiterated that if LEAs find errors or issues, call the support center or STaR and put in a ticket.</p>	
Katrina Kids	<p>Katherine noted that there are a good deal of federal monies for Katrina kids. SASSI, Genesis, School Master, Oscar, and SIRS can report these kids and Powerschool will do it for the LEA. If your SMS does not support Katrina kids, SF will give the LEA SAIS Online access. The amount for Katrina kids is about \$6,000 per student, 2% of which can be used for administration. The need code is 20.</p>	
Concurrent Enrollment	<p>Rose noted that the Concurrent Enrollment subcommittee could not proceed because ADE is unable to give them the breakdown they need (district to district, charter to charter, charter to district.) Lyle stated that if a student changes grades, records generate in a way that is difficult to compare.</p>	<p>Phil will take the issue to Janice and raise the priority. This is in concert with the 80-2 report. Rose stated that she would also call Janice directly.</p>
JTED Supplanting	<p>Karen explained that the Auditor General created a proposed draft of supplanting. She noted that there are a few different ways to test for that and it doesn't have to be a financial test. It could be based on FTE. The subcommittee thought it appropriate to suggest supplanting based on courses. The current test isn't really maintenance of effort and it excludes capital. The Federal government knows how to test and their test includes capital.</p> <p>She gave an example of Gilbert. If Gilbert continued to offer industrial tech, then it could not use satellite dollars, but new classes could use satellite dollars.</p> <p>Karen also reported that there is a proposal out by Representative Mark Anderson regarding the definition of satellite classes; districts are concerned with this proposal, primarily due to 2.5 hour class blocks.</p> <p>Phil explained that there are 2 types of issues from the SFAC group; for issues that affect ADE, the SFAC submits those. Others affect legislation and they should be taken to another channel such as AASBO or a professional lobbying group. ADE can only do the research.</p>	<p>Karen and the subcommittee will put a position paper together. They would like to propose an alternative to the Auditor General. They would also like to propose a definition of a satellite course (Mark Anderson came up with a proposal.)</p> <p>Phil offered to talk with Art Harding and determine if there is any synergy with the Superintendent's direction.</p>

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Capital Funding	Bonnie stated some findings on capital funding. LEAs do get growth and can increase the budget on May 15 th in relation to M&O. The subcommittee felt that CORL and Soft Capital were left out. Their proposal is to fund students in the year that students actually arrive. The law says the LEA gets money next year if you grow 5% or more. This means that large school districts could have large growth, but it would not be realized in the calculation unless it is 5%. The cost to the state to include these funds is 7.8 million per year. If we eliminate the 5% rule, it only makes a difference when we get the money. There is no desire to move this into the current year funds. Consideration should be given to add one page to the fund formula. The subcommittee wants to try to keep the same language and just add a couple of words. They see it as a win-win for everybody.	Brian is going to take the proposal to AASBO.
Inflation	A related issue of inflation was brought up by George. Bonnie stated that should adding an inflation factor become important, they could do a position on current year 2% inflation on capital and soft capital. Bonnie asked the committee to support this recommendation. Brian suggested that the inflation and growth were two separate issues and should be addressed separately. George stated that it would cost 9.5 million for 2%. Lyle called for a consensus.	Phil offered to research the inflation issue to find if there is any overlap with the intent of the Superintendent's committee on restructuring capital.
Auditable ADM	Paul stated that ADE needs to do more homework on the issue. Phil wants to get rolling on this and stated that he wants to make sure that ADE bureaucracy doesn't get in the way of the SFAC committee.	
SAIS	Karen asked if LEAs can get something in writing for the 1 st enrollment count from ADE stating that it is in place for 06-07.	Phil informed the committee that SF will have something on this before the February 13 th meeting.
Budget Revision	LEAs are concerned about having to do budget revisions if their budgets are off by \$1,000 or more. They would rather see something along the lines of the greater of 4% or \$1,000	Lyle recommended that this could be a technical correction and he will ask Art Harding about it.
SAIS Online Update	Katherine informed the committee that the FERPA issue still exists. Karen stated that she needs SPED number so she can forecast for next year.	
Next Meeting	Monday, February 13, 2006	Arizona State Capitol Executive Tower Building 2nd Floor Conference Room 1700 West Washington Phoenix, AZ 85007

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Acronyms

AASBO	Arizona Association of School Business Officials	M&O	Maintenance and Operation Fund
ADE	Arizona Department of Education	NAVIT	Northern Arizona Vocation Institute of Technology
ADM	Average Daily Membership	RTC	Regional Training Center
AFR	Annual Financial Reports	SAN	Storage Area Network
AG	Auditor General	SDAR	Student Detail Activity Report
CCD	Common Core Data	SDER	School District Employee Report
CEC	Certificate of Education Convenience	SF	School Finance
CSF	Classroom Site Fund	SFAC	School Finance Advisory Committee
EVIT	East Valley Institute of Technology	SFB	School Finance Board
JTED	Joint Technological Education District	SMS	Student Management System
LEA	Local Education Agency	USFR	Uniform System of Financial Records

Action Items / Commitments	
Jill Heikkila	<ul style="list-style-type: none"> Correct August and October 2005 minutes and redistribute.
Katherine Van Mourik	<ul style="list-style-type: none"> Work on providing and ADE training session on SDER by the end of January.
Philip Williams	<ul style="list-style-type: none"> Will take concurrent enrollment issues to Janice McGoldrick to get a district to district, charter to charter, and charter to district report for the Concurrency subcommittee. Talk with Art Harding about JTED Supplanting and satellites and determine if there is any synergy with the Superintendent's direction. Research inflation issue to find out if there is any overlap with the intent of the Superintendent's committee on restructuring capital.
Rose Whelihan	<ul style="list-style-type: none"> Will call Janice McGoldrick directly to discuss district to district, charter to charter, and charter to district report for the Concurrency subcommittee.
Karen Havird and JTED Supplanting Subcommittee	<ul style="list-style-type: none"> Put together a position paper on JTED Supplanting and satellite courses.
Brian Mee	<ul style="list-style-type: none"> Take Capital Funding proposal to AASBO.
Phil Williams, Lyle Friesen, Paul Carolan, and Jill Heikkila	<ul style="list-style-type: none"> Prepare something in writing for the 1st enrollment count from ADE stating that it is in place for 06-07.
Lyle Friesen	<ul style="list-style-type: none"> Ask Art Harding if a technical correction can be made to change the budget revision figure from "\$1,000" to "the greater of 4% or \$1,000."

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Members in Attendance

Members			ADE Staff
Mrs. Lana E. Berry	Mrs. Lucia Marrufo	Ms. Sandy Wilkins	Bonnie Betz
Mr. Mark E. Busch	Mr. Brian L. Mee	Mr. George Zeigler	Paul Carolan
Ms. Marcie K. Celaya	Ms. Montie Morris		Teddy Dumlao
Mr. Paul Christensen	Mrs. Norma Pacheco		Lyle Friesen
Mr. Kent DeYoung	Mr. Kevin E. Price		Dolores Gerritse
Ms. Elizabeth A. Gasperone	Ms. Usha Raghavan		Jill Heikkila
Ms. Karen L. Havird	Mr. Michael D. Reed		Katherine van Mourik
Ms. Rita Leyva	Mrs. Rose Whelihan		Philip G. Williams